

**LPA-452-2022 (O&M) AND
XOBJL-3-2024 (O&M) and
connected cases.**

2026:PHHC:020064-DB



HIGH SEA FOODS LTD. AND OTHERS ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**6 LPA-484-2022 (O&M) AND
XOBJL-3-2022 (O&M)**

RAJBIR ...Appellant

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**7 LPA-542-2022 (O&M) AND
XOBJL-5-2022 (O&M)**

M/S GOPALA AGRI FARMS PVT LTD ..Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**8 LPA-541-2022 (O&M) AND
XOBJL-7-2022 (O&M)**

M/S GOPALA AGRI FARMS PVT LTD ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**9 LPA-602-2022 (O&M) AND
XOBJL-9-2022 (O&M)**

ZAYMEEN PROMOTERS INDIA PVT LTD ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**LPA-452-2022 (O&M) AND
XOBLJ-3-2024 (O&M) and
connected cases.**

2026:PHHC:020064-DB



**10 LPA-603-2022 (O&M) AND
XOBLJ-6-2022 (O&M)**

MEENAKSHI KAUSHIK ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**11 LPA-607-2022 (O&M) AND
XOBLJ-4-2024 (O&M)**

VIRENDER KUMAR AND ANOTHER ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**12. LPA-608-2022 (O&M) AND
XOBLJ-5-2024 (O&M)**

HEM CHAND YADAV @ HEM CHAND AND ORS ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**13 LPA-393-2022 (O&M) AND
XOBLJ-7-2024 (O&M)**

KRISHNA BUILDTECH PVT LTD. ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

14 LPA-394-2022 (O&M) AND

**LPA-452-2022 (O&M) AND
XOBJL-3-2024 (O&M) and
connected cases.**

2026:PHHC:020064-DB



ANKUR BUILDCON PVT LTD ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**15 LPA-1103-2022 (O&M)
XOBJL-6-2024 (O&M)**

ABHAY SINGH AND OTHERS ...Appellants

Versus

STATE OF HARYANA AND OTHERS . . . Respondents

**CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI**

PRESENT: Mr. Shailendra Jain, Senior Advocate with
Ms. Ruchi Jain, Advocate for the appellants
in LPA-452, 453, 454, 460 of 2022.

Mr. Gaurav Chopra, Senior Advocate with
Mr. Ajiteshwar Singh, Advocate,
for the appellants in LPA-393, 394 of 2022.

Mr. Akshay Kumar Jindal, Senior Advocate with
Mr. Bhavya Vats, Advocate for the appellant in LPA-608-2022.

Mr. Shubham Jain, Advocate with
Mr. Rishabh Jain, Advocate
for the appellants in LPA-541, 542 of 2022.

Mr. Sukhdev Singh, Advocate for
Mr. Vikram Singh, Advocate
for the appellants in LPA-484, 602, 608, 603 and 403 of 2022.

Mr. Jaivir S. Chandail, Advocate
for the appellant in LPA-531-2022.

Ms. Indu Bala, Advocate for
Mr. Aditya Jain, Advocate for the appellant
in LPA-607 of 2022.

**LPA-452-2022 (O&M) AND
XOBJL-3-2024 (O&M) and
connected cases.**

2026:PHHC:020064-DB



Mr. Pritam Singh Saini, Advocate with
Ms. Vamika Johar, Advocate for the HSIIDC.
In LPA-454, 393, 1103, 608, 452 and 607 of 2022.

Mr. Ankur Mittal, Senior Advocate with
Ms. Kushaldeep Kaur, Advocate
for respondent No. 3-HSIIDC.

HARSIMRAN SINGH SETHI , J. (Oral)

1. Present bunch of appeals, the details of which are mentioned in the heading, involve common point of law and common set of facts, hence, they are being dealt together. For the sake of convenience, the facts are being taken from LPA-452-2022.
2. In the present bunch of appeals, the challenge is to the impugned order dated 28.04.2022 passed by the learned Single Judge, by which, the claim raised by the appellants that they are entitled for grant of interest on the amount of compensation which has been paid to them in consideration for the land belonging to them which was acquired by the Government, has been declined.
3. Certain facts need to be mentioned for the correct appreciation of the issue in hand.
4. The appellants are the owners of the land situated in villages Kukrola, Fazalwas, Kharkhari, Bas Lambi, Mukalwas, Seharavan and Fakharpur in Tehsil Manesar, District Gurugram. The Government decided to acquire the said land and for that purpose a notification under Section 4 of the Land Acquisition Act, 1894 (hereinafter referred to as 'the 1894 Act')



was issued on **14.12.2006**. The first declaration under Section 6 of the 1894 Act was issued on 10.01.2008, which was beyond the prescribed time limit, and for the removal of the said defect, a second declaration was issued under Section 6 of the 1894 Act on 22.04.2009.

4.1 Before an Award in pursuance of the declaration made under section 6 could be passed, an SLP was filed against the action of State qua acquisition of the land in question, before the Hon'ble Supreme Court of India, being Special Leave Petition (Civil) No. 11019 of 2011 titled as **State of Haryana versus Gurcharan Kaur**, wherein the permission was given to the State vide order dated 19.04.2011, to pronounce an award under Section 11 of the 1894 Act. The Award was thereafter passed under Section 11 of the 1894 Act for acquisition of the land belonging to the appellants on 21.04.2011. On the said date, *Daily Diary Report (Rapat Roznamcha)* was entered in the record of the Patwari, wherein it was recorded that the possession of the land had been acquired by the Government.

4.2 Meanwhile, the action of State of acquiring the land was challenged again before the Hon'ble Supreme Court of India by way of filing of Writ Petition (Civil) No. 113 of 2011 under Article 32 of the Constitution of India which was filed by the Fertile India Protection Movement and Sarpanches of all the villages concerned in a representative capacity. It may be noticed that an interim relief was granted by the Hon'ble Supreme Court of India vide order dated 25.04.2011 wherein it as directed that with regard to further proceedings pertaining to taking possession of the land notified by the authorities for acquisition under the provisions of the 1894 Act, the status quo is to be maintained therein. Thereafter, the process initiated qua



acquisition and taking of possession of land by the Government came to a standstill and though the Government had already deposited the amount of compensation qua acquisition of land with the Collector on the date of passing of the Award i.e. 21.04.2011, but keeping in view the said interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India, the said amount was returned to the Government as land owners never came forward to accept the compensation by implementing the order of Hon'ble Supreme Court of India that they are the owners of the land in question.

5. Ultimately, the proceedings pending before the Hon'ble Supreme Court of India in writ petition bearing no. 113 of 2011 were transferred to this Court, bearing CWP No. 18940 of 2014, on 06.08.2014, which writ petition was ultimately decided on 02.12.2019 and the acquisition of land by State was upheld by the High Court. Thereafter, no further proceedings were undertaken by either of the parties qua the said acquisition of land and amount of compensation so assessed, which was initially deposited with the Collector, was released by the Government in favour of the claimants.

6. After receiving the said amount of compensation, the appellants felt aggrieved on the ground that though the acquisition of the land belonging to them was done almost a decade earlier, but the amount of compensation admissible to them was paid to them in the year 2020. For redressal of said grievance, namely, that the amount of compensation admissible to them had been withheld, for which they are entitled to grant of interest, and the same has not been paid by the Government to the appellants, the appellants filed writ petition before this Court.



7. Bunch of petitions were filed before this Court claiming the said benefit of interest on the delayed disbursal of amount of compensation, by the Government to the appellants.

8. The claim qua grant of interest made by the appellants was resisted by the State on the ground that though the amount of compensation was paid to the appellants in the year 2020, but as a matter of fact, the land which was though acquired by the Government after passing of Award dated 21.04.2011, not only remained in the possession of the land owners but also the said land was being cultivated upon by the appellants so as to generate revenue out of the same till the payment of compensation.

9. Further, qua said claim regarding grant of interest, the State asserted that the “actual possession” of the land was taken by the Government much after the amount of compensation was paid to the land owners (appellants) and therefore, no liability qua grant of interest under Section 34 of the 1894 Act can be fastened on the Government.

10 Furthermore, as a defence against the said claim raised by the appellants, the State placed the revenue record before the learned Single Judge depicting that after the order passed by Hon’ble Supreme Court of India granting status quo qua the acquired land, actual possession of the land in question remained with the owners and was being utilized by the land owners i.e. appellants even after passing of the award dated 21.04.2011, on land they were cultivating two crops in a year, and the financial benefits/revenue so generated from the said land were also being retained by the land owners. Therefore, it was argued that the grant of interest to the appellants on amount of compensation disbursed to them will amount to



putting a premium on continuing as “*trespassers*” on the land despite the fact which has been noticed hereinbefore that even the revenue so generated by cultivating crops on same has already been drawn by the appellants, that too from the date of acquisition of land by the State till the date of payment of the amount of compensation qua the same.

11. The learned Single Judge, after hearing the parties, came to the conclusion that the benefit of interest cannot be extended in favour of the petitioners (appellants herein) on the ground that there exists a disputed question of fact with regard to the ‘possession of the land’ in question particularly as to when the same was taken in possession by State alongwith the fact that, the land owners have already drawn financial benefits from the said land for the period starting from issuing of notification of acquisition of said land till the date the amount of compensation was released to them and hence, the remedy to claim interest on amount of compensation will lie before the Civil Court.

12. The said order dated 28.04.2022 passed by the learned Single Judge, has been impugned in the present bunch of appeals.

13. Learned Senior counsel appearing on behalf of the appellants submits that the grant of interest on amount of compensation so withheld by State has to be allowed only on the basis of settled principle of law interpreting the Land Acquisition Act, 1894, keeping in view the fact that the possession of the land had been taken by the respondents on 21.04.2011 i.e. after passing of the award, and any other fact thereafter becomes irrelevant, be it the retention of the said land by the land owners or that they had generated any financial benefits out of the same.



14. Learned Senior counsel for the appellants further argues that once, there is no dispute with regard to the *Daily Diary Report (Rapat Roznamcha)* entered into the record of “Patwari” while pronouncing the Award on 21.04.2011 indicating that the possession of the land has been taken by the Government, hence, it has to be deemed that the possession of the land has been with the State for all intents and purposes from said date and the delay in release of the compensation amount entitles the appellants to the benefit of interest under Section 34 of the 1894 Act at the rate provided in accordance with law and therefore, the arguments which have been raised by the State that the land actually remained in the possession of the appellants, out of which financial benefits were being drawn out by them by cultivating said land till the payment of the compensation after passing of order dated 02.12.2019 by this Court in CWP No. 18940 of 2014 so as to deny the benefit of interest under Section 34 of the 1894 Act, are not material. It was contended that the learned Single judge has therefore erred on the said point of view so as to hold that the date on which possession of land was delivered to State is a disputed question of fact so as to relegate the appellants to the Civil Court for resolution of the same.

15. Learned Senior counsel for the appellants further argues that Civil Court has no jurisdiction with regard to resolving of a dispute qua the date of acquisition of possession of land under the Land Acquisition Act and therefore, the impugned order passed by the learned Single Judge, is perverse not only to the provisions of 1894 Act but also to the settled principle of law as well, especially in light of the judgment of the Hon’ble

Supreme Court of India in **SLP (C) Nos. 9036-9038 of 2016, titled as Indore**



Development Authority versus Manoharlal and others etc., decided on 06.03.2020.

16. Learned Senior counsel appearing on behalf of the appellants further submits that once, the land had already been acquired by State, which is apparent from the DDR entered into record of “patwari”, and there was no impediment before Government qua release of the compensation amount, therefore, any interim order passed by the competent court of law will not give jurisdiction to the State so as to withhold the amount of compensation admissible to appellants and hence, the delay in granting the amount of the compensation on the ground that the matter was subjudice is not a sufficient ground to deny the benefit of interest admissible to appellants and therefore, the respondents-State is liable to be directed to grant the benefit of interest on the delayed payment of the compensation which was awarded by the land Acquisition Collector vide order dated 21.04.2011.

17. Learned Senior counsel for the appellants further submits that the *Daily Diary Report (Rapat Roznamcha)* was finalised on 21.04.2011 according to which, the possession of land had been taken by State on the said date, whereas, the interim order granted by the Hon’ble Supreme Court of India in Writ Petition (Civil) No. 113 of 2011 was passed on 25.04.2011 and therefore, under any circumstances, the benefit of compensation could not have been delayed as, the *Daily Diary Report (Rapat Roznamcha)* clearly depicted that the possession of the land in question was with the State till the time the amount of compensation was ultimately released in the year 2020 in favour of the appellants and therefore, the denial of benefit of interest on delayed disbursement of amount of compensation is incorrect.



18. Learned Senior counsel for the appellants further submits that the said arguments put forth by State can only be made applicable upon the parties who were before the Hon'ble Supreme Court of India in the aforementioned Writ Petition and the interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India in substance only deferred the implementation of the purpose for which land was acquired and therefore, the denial of benefit of interest on the compensation amount by the State is incorrect and the impugned judgement of the learned Single Judge may kindly be set-aside and appropriate direction be given to the State to grant the benefit of interest on the amount of compensation.

19. Learned counsel for the appellants in LPA No. 393-394 of 2022 submits that though it is being argued by the State that the financial benefits /revenue were being generated by appellants from the land in question by cultivating the same even after passing of the award dated 21.04.2011 till the date of payment of the compensation i.e. in the year 2020 but the said averment has wrongly been accepted by the learned Single Judge and the State is unnecessarily disputing the facts in order to deny the benefit of interest to the appellants on amount of compensation admissible to appellants, despite the fact that the grant of actual compensation was delayed by a number of years.

20. The last argument raised by the learned Senior counsel for the appellants is that the documents which have been produced by the State to show this Court that the land remained in the possession of the appellants till the time the amount of compensation was paid to them even though an entry was made contrary to the effect in the DDR on 21.04.2011 and that they



were also drawing financial benefits/revenue from the said land in question, are not to be looked into as such documents cannot be made a part of the acquisition proceedings, especially when, the *Daily Diary Report (Rapat Roznamcha)* clearly depicts that the actual possession of the land was taken from the appellants on 21.04.2011.

21. On the other hand, learned Senior counsel appearing on behalf of the respondents-State submits that the grant of interest under Section 34 of the 1894 Act, is made to the land owners only to remove the prejudice in case any loss is caused to them, such as, in a case where, the land belonging to land owners has been taken in possession by the State and the same is vested with the state and the land owners are not able to use the said land and during said time the amount of compensation has not been paid yet; whereas, the facts of the present case are entirely different as the possession of land in question with State after passing of award dated 21.04.2011, was only *symbolic in nature*, but keeping in view the interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India, the actual possession of the land in question remained with the appellants and not only the possession of the land remained with them but also the said land was used by them for earning an income, as two crops per year were being cultivated by them which fact has gone unrebutted as per the documents brought on record and therefore, under these circumstances, the denial of the benefit of interest on the compensation amount admissible to the appellants is to be upheld and the impugned order passed by the learned Single Judge, is perfectly valid so as to deny the benefit of interest to the appellants while relegating them to avail the appropriate remedy before the Civil Court to



ascertain the disputed facts as to when the actual possession of the land was taken by the Government so as to ascertain if, the benefit of interest is to be given to the appellants or not.

22. Learned counsel for the respondents-State further submits that it has already come on record that after the alleged acquisition of the land by State in the year 2011, not even a single land owner/appellants came to receive the amount of compensation till the proceedings remained pending before this Court upto the year 2019 and thereafter, only, when the same compensation was claimed by the appellants, their request was accepted and ultimately the amount of compensation has been paid to the appellants as per the provisions of Section 31 of the 1894 Act and therefore, the claim of interest upon said amount of compensation is not maintainable and the same has rightly been denied by the authorities which decision subsequently has rightly been upheld by the learned Single judge while passing the impugned order dated 28.04.2022.

23. We have heard learned Senior counsel for the parties and have gone through the case file with their able assistance.

24. The question, which arises for consideration is whether, in the peculiar facts and circumstances of the present case, the claim of the interest at the hands of the appellants which has been denied by the State, which decision has been upheld by the learned Single Judge, is in consonance with the provisions of 1894 Act, coupled with the settled principle of law on the issue concerned, or not.

25. The facts which have been mentioned hereinbefore are not disputed by the parties concerned. It is not a disputed fact that the Award



dated 21.04.2011 was passed by the Land Acquisition Collector and in the *Daily Diary Report (Rapat Roznamcha)*, it was recorded before the 'Patwari' that the possession of the land in question has been taken from the land owners. It is also not disputed that the amount of compensation was also deposited by the Government with the Land Acquisition Collector, but before the same could be disbursed to the appellants, an interim order dated 25.04.2011 was passed by the Hon'ble Supreme Court of India granting ex-parte ad-interim stay. It is a conceded position that as per the interim order no final proceedings could have been undertaken by the State qua acquisition of the land in question.

26. Before proceeding further, it would be in interest of justice to take a halt and look into the prayer made before the Hon'ble Supreme Court of India which led to the passing of the interim order dated 25.04.2011. Therefore, paragraph No. 12-A of memorandum of SLP, which was accepted by the Hon'ble Supreme Court of India, is as under:-

“Grant ex-parte ad-interim stay of the further proceedings pertaining to taking possession of the land notified by the respondent authority for acquisition vide notification dated 25.04.2008 and 22.04.2009 and 11.01.2011 and/or to maintain status quo pertaining to the said lands”.

27. For the sake of convenience, the operative part of the interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India granting relief is also as under :-

“By way of ad interim relief, the prayer claimed in paragraph



12(a) of the memorandum of special leave petition is granted till further orders”.

28. A bare perusal of the above reproduction would show that the exparte ad interim stay was granted by the Hon’ble Supreme Court of India to put a stop to the further proceedings by State qua taking of possession of the land as was notified and the status quo qua taking possession of land was directed to be maintained.

29. Once, the Government accepted the said order granting interim relief so as to maintain status quo qua possession of land, the land which actually remained in the possession of the appellants, continued to remain in their possession by virtue of the said order and as there was an order passed by Hon’ble Supreme Court granting status quo qua possession of land, the State did not release the compensation amount coupled with the fact that after the passing of said interim order, none of the appellants approached the State to claim the possession over said land, which possession is argued to have been taken by them after passing of Award dated 21.04.2011.

30 Keeping in view the said aspect, this Court is required to adjudicate the payment of compensation as envisaged under the provisions of the 1894 Act. Hence, for ready reference, Sections 31 and 34 of the 1894 Act are reproduced as under:-

“31. Payment of compensation or deposit of same in Court:-

(1) On making an award under section 11, the Collector shall tender payment of the compensation awarded by him to the



persons interested entitled thereto according to the award and shall pay it to them unless prevented by some one or more of the contingencies mentioned in the next sub-section.

(2) If they shall not consent to receive it, or if there be no person competent to alienate the land, or if there be any dispute as to the title to receive the compensation or as to the apportionment of it, the Collector shall deposit the amount of the compensation in the Court to which a reference under section 18 would be submitted:

Provided that any person admitted to be interested may receive such payment under protest as to the sufficiency of the amount:

Provided also that no person who has received the amount otherwise than under protest shall be entitled to make any application under section 18:

Provided also that nothing herein contained shall affect the liability of any person, who may receive the whole or any part of any compensation awarded under this Act, to pay the same to the person lawfully entitled thereto.

(3) Notwithstanding anything in this section the Collector may, with the sanction of the [appropriate Government] instead of awarding a money compensation in respect of any land, make any arrangement with a person having a limited interest in such land, either by the grant of other lands in exchange, the



remission of land-revenue on other lands held under the same title, or in such other way as may be equitable having regard to the interests of the parties concerned.

(4) Nothing in the last foregoing sub-section shall be construed to interfere with or limit the power of the Collector to enter into any arrangement with any person interested in the land and competent to contract in respect thereof.

32 and 33 XXXX XXXX XXXX

34. Payment of interest- *When the amount of such compensation is not paid or deposited on or before taking possession of the land, the Collector shall pay the amount awarded with interest thereon at the rate of nine per centum per annum from the time of so taking possession until it shall have been so paid or deposited:*

Provided that if such compensation or any part thereof is not paid or deposited within a period of one year from the date on which possession is taken, interest at the rate of fifteen per centum per annum shall be payable from the date or expiry of the said period of one year on the amount of compensation or part thereof which has not been paid or deposited before the date of such expiry.”



31. A bare perusal of the above reproduction would show that the State is bound to release the amount of compensation admissible to beneficiaries unless prevented by someone or by any other contingencies, as has been stipulated in the sub-sections reproduced hereinbefore.

32. When the facts of the present case are taken into notice alongwith the interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India, whereby status quo regarding possession of land was granted, coupled with the fact that land owners i.e. the appellants, continued to remain in possession of their land and were utilizing the same to their benefit by generating revenue out of the same, it can be observed that the amount of compensation so awarded vide order dated 21.04.2011 was not paid as, the interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India put an impediment in payment of compensation amount immediately to the appellants.

Though an award dated 21.04.2011 was passed by the Collector granting the benefit of compensation to the appellants while transferring the possession of land to the State, to which effect an entry was recorded in DDR before the Patwari, but subsequently, vide interim order dated 25.04.2011, status quo qua the possession of land was ordered to be maintained. The State had even deposited the compensation amount with the Collector after passing of award dated 21.04.2011. In the facts of present case, it becomes crystal clear that though the appellants were shown to be dispossessed of the said land as per Rapat prepared by the Patwari and were awarded with compensation which had been deposited by State before the Collector, but



vide order dated 25.11.2011 passed by Hon'ble Supreme Court of India, effect of the said Award was stayed, and status quo qua possession of land was ordered to be maintained, which order also put a stop to the payment of compensation to appellants keeping in view that the possession of land was still with appellants.

33. *Once, the amount of compensation was not withheld arbitrarily, keeping in view the discussion herein above, the next question which arises for consideration is that whether the interest is liable to be paid thereupon for delay in disbursal of the amount, which was done after the litigation qua the acquisition of land had attained finality in the year 2019.*

34. In a simple case, where a piece of land has been acquired and has been taken into possession and for which an entry under the *Daily Diary Report (Rapat Roznamcha)* has been made, if compensation has not been paid in such a case, *prima facie*, the land owners will be held entitled to the benefit of compensation as, the land has already been acquired and vested with the State and especially when the land owners have not used the land to their benefit to generate financial assistance/revenue.

35. In a case where, the amount of compensation to be disbursed to the claimant remains with the Government without any justifiable cause, and when the same is paid at a stage later than when it was required to be paid, the benefit of interest thereupon is liable to be granted to compensate the land owners for the delay so caused by the State. But, in the present case, the facts are somewhat different.

The land in question though stated to have been taken into possession by the State as per the *Daily Diary Report (Rapat Roznamcha)*,



which possession was granted to the State at the time of pronouncing of the Award dated 21.04.2011 but, keeping in view the interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India, the proceedings qua taking over possession of the land and vesting of the same with the State came to a standstill. Till the said proceedings attained finality after almost 08 years, vide order dated 02.12.2019 passed by this Court, the possession of land remained with the appellants i.e. the land owners, and keeping in view the revenue record produced by the respondents which has gone unrebutted at hands of the appellants, the land was being used by the appellants for their benefit and the financial benefits were being retracted by the appellants from the said land in question. Hence, interpreting Section 31 of the 1894 Act while keeping in notice the facts of present case, it can be safely said that the State was prevented from disbursing the compensation amount by virtue of the interim order dated 25.04.2011 passed by the Hon'ble Supreme Court of India and during the pendency of proceedings till the same attained finality, as the land was being used by the appellants for their own use and they were generating income from the said land, the claim for the grant of interest on compensation amount thereupon cannot be accepted merely on the ground that the as per recording made in the *Daily Diary Report (Rapat Roznamcha)*, the possession of the land was taken by the Government, while ignoring the other relevant facts as stated thereinbefore.

36. The argument of the learned Senior counsel for the appellants is that, as per the principle of law as settled by the Hon'ble Supreme Court of India in **Indore Development Authority versus Manoharlal and others etc.,**

AIR 2020 SC 1496, only the entry recorded in *Daily Diary Report (Rapat*



Roznamcha) is to be taken into consideration while ignoring the revenue entries, to decide as to whether the possession of the land vests with the land owners or the Government and no subsequent event can be looked into so as to decide the same.

37 Though, learned senior counsel for the appellants has read certain paragraphs from the judgment passed in **Indore Development Authority's case (supra)** to contend that an entry recorded in the Daily Diary Report (Rapat Roznamcha), to the effect that the possession of the land has been taken, amounts to taking the physical possession of the land in question, however, the question involved in the instant case is not qua the validity of the acquisition proceedings based on the mode of taking possession adopted by the State, as was the case in **Indore Development Authority's (supra)** and hence, the claim of the appellant qua grant of interest cannot be decided solely taking into account the entry in Daily Diary Report (Rapat Roznamcha), while ignoring the other factors, i.e. whether the land losers have derived any benefits from the said land after the aforesaid entry. Thus, what needs to be first ascertained is that whether, despite the appellants using the land in question to generate monetary benefits while taking advantage of the interim order passed by the Hon'ble Supreme Court, granting status quo, the appellants can still claim the interest on the compensation amount, after the litigation qua the said land finally came to an end.

38. After a thorough reading of the said judgment, keeping in view the question of law raised before the Hon'ble Supreme Court of India in



Indore Development Authority's case (supra), the question of law which was raised and the issue framed by the Hon'ble Supreme Court of India was with regard to the validity of acquisition, where the physical possession of land remained with the land owners even after the publication of the Award and corresponding entry in the *Daily Diary Report (Rapat Roznamcha)* regarding taking possession of the acquired land.

39. The said findings were given by Hon'ble Supreme Court of India in a particular background; the words used in the said findings cannot be made applicable to the grant of interest and that too by ignoring certain other relevant facts which exist in the present case.

40. Even if, the possession of the land in question was taken by State after passing of Award dated 21.04.2011 and which aspect was only recorded in the *Daily Diary Report (Rapat Roznamcha)*, but thereafter, by the grant of interim order by the Hon'ble Supreme Court of India vide order dated 25.04.2011, the status quo qua possession of land remained in-operation for a period of eight years i.e. uptill the year 2019, that is when the issue with regard to the acquisition of land attained finality, after which compensation amount was released to the appellants. During the said period, as per the '*khasra girdawri*' which has been produced by the respondents-State, the land in question was in the actual possession of the appellants and the same was being used by them and they were drawing financial benefits out of the said land in question. Once, the said financial benefits were being derived out by the appellants, the grant of interest upon the compensation amount will tantamount to putting a premium upon using of the land by the land owners despite they being "*trespassers*" as per the



wording used by the by the Hon'ble Supreme Court of India in in **Indore Development Authority's case (supra)**

41. At this stage, learned senior counsel appearing on behalf of the appellants submits that the findings recorded by the revenue authorities with regard to the use of the land by the appellants are not conclusive in nature. It may be noticed that even if, it is assumed for the sake of arguments that said recordings are not conclusive in nature then it becomes the duty of the appellants to disprove said recording and prove before the authorities concerned that the land was not being used by the them and no financial benefits have been generated by them out of the said land so as to claim the benefit of interest under Section 34 of the 1894 Act, whereas, the argument of the learned counsel for the appellant is that possession of the land with the land owners is to be ignored including the deriving of financial benefit after *Daily Diary Report (Rapat Roznamcha)* so as to consider the claim for the grant of interest under Section 34 of the 1894 Act.

42. Though, learned Single Judge has given the liberty to the appellants to go before Civil Court to prove that no financial benefit was derived qua the acquired land so as to claim interest upon compensation granted, this Court also gives liberty to the appellants to avail remedy before the Civil Court, in case, they want to settle the issue that whether the land remained in their possession after the acquisition of the same or not and whether financial benefits were derived out of the said land or not, in order to claim the benefit of interest on the compensation amount assessed under Section 34 of the 1894 Act.

43. In case, any such proceedings are initiated so as to settle said



issues, the same will be decided by the competent Court of law on the basis of the evidence brought on record irrespective of any findings given either by the learned Single Judge or even by this Court qua the '*revenue record*' pertaining to the period after passing of Award dated 21.04.2011, whereby possession of land has been alleged to have been with State till the payment of the compensation amount to the appellants.

44. Learned Senior counsel for the appellants has further argued that the factual position is to be seen from the date of the passing of the Award by the Collector, i.e. on 21.04.2011, and recording of said fact made in the *Daily Diary Report (Rapat Roznamcha)* coupled with the actual date of payment of the compensation amount to the appellants in order to ascertain that whether the benefit of interest on amount of compensation is liable to be paid to the appellants or not and any intervening factors have to be ignored for all intents and purpose being irrelevant under the 1894 Act.

45. In case, the said argument of the learned Senior counsel for the appellants is accepted, it can lead to troublesome situations where a land owner who has not given up the land after the acquisition of the same and has been generating financial benefits out of the same for his consumption will be also claiming undue financial benefits in terms of the interest on the compensation amount qua acquisition so as to make the State liable for it.

46. In the present case, it is a conceded fact that no application for release of the compensation amount was put forth before the authorities concerned by the appellants between the period starting from 21.04.2011 to 25.11.2011 i.e. by the land owners till the interim order was passed by the Hon'ble Supreme Court of India and no such application was even moved



till the proceedings pending before this Court upto the year 2019 attained finality to claim compensation as per the award.

47. On one hand, it has been contended before the Hon'ble Supreme Court of India that no possession of the land has been taken despite passing of award dated 21.04.2011 till passing of interim order dated 25.04.2011 but now, when the claim qua grant of interest is being raised, a contrary plea has been raised by the appellants that the possession of land in question had been taken by the Government after passing of Award dated 21.04.2011 which has been duly recorded in *Daily Diary Report (Rapat Roznamcha)* and therefore, by taking in note only the entry recorded in DDR and by ignoring all the subsequent facts, including the revenue records which hold the presumption of truth, should be ignored so as to grant them the benefit of interest on the alleged delayed release of compensation.

48. Two different stands have been taken by the appellants before this Court on the same set of facts, hence, the claim raised by the appellants for the grant of interest on the delayed release of amount of compensation by raising a plea that the possession of the land was taken by the Government after passing of Award dated 21.04.2011 which has been recorded in a *Daily Diary Report (Rapat Roznamcha)*, which report was also disputed before the Hon'ble Supreme Court of India and an interim order dated 25.04.2011 was passed by the Hon'ble Supreme Court of India, which was in their favour, now claiming interest upon the amount of compensation by pleading that the *Daily Diary Report (Rapat Roznamcha)* has to be believed for all intents and purposes by ignoring the other records/facts, including the revenue record, cannot be accepted.



49. Further, we have to understand as to why, the provision qua grant of interest was added to in Section 34 of 1894 Act. It shall be noted that the same was done so that the land owners whose lands are being acquired are not caused prejudice in case his/her land has been acquired for which even the amount of compensation has not been paid despite utilization of the land by the State, and in order to remove such prejudice from being caused, the provisions qua grant of interest on delayed release of compensation amount to such land owners was incorporated which mutates in phases as after a particular period of time, the rate of interest payable on such delayed grant of compensation increases. Can such provisions under the 1894 Act, which have been incorporated for grant of interest in order to remove prejudice caused to a land owner qua delayed grant of amount of compensation, made applicable in the present case especially by ignoring the fact that the land owner actually remained in possession of the land even after the acquisition of the same and used the said land to his/her benefits and generated finances out of it?

50. Even otherwise, the appellants have not been able to show any prejudice caused to them as of now, keeping in view the facts on record, unless and until they decide to approach the Civil Court to prove certain factual assertions to show that prejudice has been caused to them by bringing on record due evidence in support of such assertions.

51. Further, any order granting interest to the appellants will tantamount to putting the State under undue financial distress besides resulting in permitting undue enrichment in the hands of the appellants.

Unless and until, the appellants prove with cogent evidence that they have



derived no financial benefit out of the land in question after the memorandum of taking possession had been drawn up, i.e. from 21.04.2011 till the payment of compensation to the land owners, benefit of interest cannot be claimed without proving the prejudice caused to them.

52. Further, it may be noticed that as per the judgment passed by Hon'ble Supreme Court of India, any land owners who, after passing of an award under 1894 Act whereby such land owners' land 's possession has been given to State, do not vacate the same or if such land owners re-enter the land, such persons have been termed as "*trespassers*".

53 Now, the question which arises for consideration is whether the 'trespassers' can claim the interest on the delayed payment or not especially when State is denying the interest that such trespassers utilized the land to their benefit.

54. It may be noticed that a 'trespasser' who has not derived any financial benefits out of the land earlier coupled with the fact that without there being any valid justification, the amount of compensation in consideration to his/her land acquired has not been given to him, such person even though being a trespasser might be entitled to claim the benefit of interest, but whether a 'trespasser' who is availing the financial benefits out of the land in question after the acquisition of the same, till the payment of the compensation by the Government, can plead prejudice due to non payment of compensation so as to claim the benefit of interest. The trespassers i.e. the land owners falling under the second category cannot raise any such claim and as of now, subject to the result of any proceedings initiated by appellants before the competent Court of law, the appellants can



only be treated to be falling in the second category and as such cannot be held entitled to benefit of interest.

55. Learned Senior counsel for the appellants submits that the revenue entries which are being relied upon by the Government to contend that financial benefits were being drawn out by the land owners during the period for which interest is being claimed only came into being due to inaction on the part of the State in granting the amount of compensation admissible to them, which amount has been withheld and used by State to the prejudice of the appellants.

56. Learned Senior counsel submits that after the entry was made in *Daily Diary Report (Rapat Roznamcha)* to the effect of granting possession of land to the State, the respondents should have got the revenue record corrected so as to deal with the issue qua ownership of the land in question.

57. It may be noticed that upon getting *Daily Diary Report (Rapat Roznamcha)* entered, the State becomes the owner of the acquired land.

58. But it shall be noted that in the present case the issue is not qua the ownership of the land upto the date when the amount of compensation is paid. The question raised in the present case is that whether, despite the ownership of the State Government upon the land in question, during the same period which the appellants remained in the possession of the land in question which fact is proved from the revenue record brought before this Court, and the appellants were generating the financial benefit out of the same, the appellants can still claim for the grant of interest under Section 34 of the 1894 Act by pleading that prejudice has been caused to them by



delayed payment of amount of compensation to them.

59. Once, the said revenue record depicting that benefits were being derived out of said land has not been rebutted so far, and such revenue record has the presumption of being true, the appellants who continued to occupy the land in question after passing of the Award dated 21.04.2011 till the date of payment of compensation, cannot claim for interest which grant of interest will amount to granting undue enrichment to the appellants at the hands of the Government.

60 In support of the arguments raised by the learned Senior counsel for the appellants, he places reliance upon the judgments passed by the Hon'ble Supreme Court of India in Hissar Improvement Trust versus Rukmani Devi, 1990 (2) RRR 589 SC, Union of India and another versus Pushpavahi and others, 2018 (1) RCR (Civil) 935 (SC), State of T.N. and another versus Mahalakshmi Ammal and others, (1996) 7 SCC 269, Tamil Nadu Housing Board versus A. Viswam (deceased) by LRs, (1996) 8 SCC 259, Ivo Agnelo Santimano Fernandes and others v. Government of Goa and another (2011) 4 SCC (Civil) 268, Sunder v. Union of India (2001) 7 SCC 211, Narinder Kumar and Others v. State of Haryana and others, Law Finder Doc Id # 1507282, R.L. Jain (D) by LRs v. D.D.A. and others (2004) 4 SCC 79 Delhi Development Authority versus Godfrey Phillips (1) Ltd., CA No. 3073 of 2022 decided on 06.05.2022 and State of Haryana versus Sunder Lal, CA No. 5754 of 2019, decided on 22.07.2019.

61. It may be noticed that the judgements which are being cited by the learned Senior counsel for the appellants hereinabove, are firstly, not dealing with the issue with regard to the grant of the interest where the land



owners remained in possession of the land and were generating revenue out of the said land till the payment of the compensation, which are the facts of present case, and the facts of the present case, are slightly different from the judgments cited hereinbefore and therefore, the judgments relied upon by the learned Senior counsel for the appellants cannot be made applicable upon the same when question raised was qua the validity of acquisition proceedings in the light of *Daily Diary Report (Rapat Roznamcha)*, finding recorded by the Competent Court of Law is to be seen and appreciated keeping in view the facts of the case and question of law being decided. Hence, the argument is being raised, without appreciating that not only question of law is different but also the facts.

62. While passing the impugned order dated 28.04.2022, the learned Single Judge has appreciated the said judgements being relied upon by the learned Senior counsel for the appellants and the said appreciation cannot be treated as perverse keeping in view the facts and circumstances of the present case.

63. Hence, keeping in view the totality of the facts and circumstances, no ground is made out for any interference by this Court in the facts and circumstances of the present case.

64. It may be noticed that the order is dictated in open Court. No other arguments raised. Accordingly, the present appeals are dismissed.

65. It is made clear that the present decision only relates to the claim of interest under Section 34 of the 1894 Act and not for any other purposes qua the possession of land.

**LPA-452-2022 (O&M) AND
XOBJL-3-2024 (O&M) and
connected cases.**

2026:PHHC:020064-DB



66. Keeping in view the fact that the appeals have already been dismissed hereinabove, learned counsel for the respondent-State submits that the cross objection filed in the said appeals, details of which have been mentioned in the head note, may kindly be disposed of having been not pressed any further.
67. Ordered accordingly.
68. Pending civil miscellaneous application(s), if any, stand disposed of.
69. A photocopy of this order be placed on the file of other connected case(s).

**(HARSIMRAN SINGH SETHI)
JUDGE**

**(VIKAS SURI)
JUDGE**

10.02.2026
Riya
Whether speaking/reasoned: **Yes**
Whether Reportable: **Yes**

**IOIN-1-LPA-453-2022 in
LPA-453-2022 & other connected cases**

**Ram Rattan and others
vs.
State of Haryana and others**

Present IOIN has been placed before this Court so as to correct the order dated 10.02.2026 passed by this Court in LPA-452-2022 (being main appeal) along with other connected appeals as in the head note of the said order, inadvertently, the cross-objections were mentioned with incorrect case numbers. Details of cross-objections with their respective case number are as under:-

1. LPA-453-2022 (O&M) and XOBJL-8-2024 (O&M) has been mentioned at Sr. No.2 on 1st page of order sheet instead of LPA-453-2022 (O&M) as there is no XOBJL in LPA-453-2022.
2. Only LPA-454-2022 (O&M) has been mentioned at Sr. No.3 on 1 page of order sheet instead of LPA-454-2022 (O&M) and XOBJL-8-2024 (O&M) as XOBJL-8-2024 has been passed in LPA-454-2022 instead of LPA-453-2022.
3. XOBJL in LPA-603-2022 (O&M) at Sr. No.10 on the 3rd page of order sheet has been mentioned as XOBJL-4-2024 (O&M) instead of XOBJL-6-2022 (O&M).
4. Only LPA-607-2022 (O&M) has been mentioned at Sr. No.11 on 3rd page of order sheet instead of LPA-607-2022 (O&M) and XOBJL-4-2024 (O&M) as XOBJL-4-2024 has been passed in LPA-607-2022.
5. LPA-394-2022 (O&M) and XOBJL-6-2022 (O&M) has been mentioned at Sr. No.14 on 3rd and 4th page of order sheet instead of LPA-394-2022 (O&M) only as there is no XOBJL in LPA-394-2022.
6. Only LPA-1103-2022 (O&M) has been mentioned at Sr. No.15

on 4th page of order sheet instead of LPA-1103-2022 (O&M) and XOBJL-6-2024 (O&M) as XOBJL-6-2024 has been passed in LPA-1103-2022.

Let the said corrections be carried out in the order dated 10.02.2026 passed by this Court and the correct order be uploaded on the website of this Court.

Photocopy of this order be placed on the file of connected cases.

(HARSIMRAN SINGH SETHI)
JUDGE

(VIKAS SURI)
JUDGE

April 17, 2026
aarti